

1 BY MR. SHOOK:

2 Q The next document I want to show you is a three-
3 page declaration, and it bears a date of March 12, 2001.
4 And I'll ask whether or not you can identify the signature
5 that appears there.

6 A Most definitely. That's my sister's signature.

7 MR. SHOOK: What I'd like you to focus on is
8 paragraph 7. If you could just read that to yourself.

9 (Witness examined document)

10 BY MR. SHOOK:

11 Q There is a representation in there to the effect
12 that, "The stations constitute the only valuable asset held
13 by my father for the benefit of his children and his
14 grandchildren." Do you know whether your father holds
15 interest in any real estate in the Virgin Islands?

16 A Not outside of what we normally had, Catherine's
17 Rest and Princess. I don't know of anything else.

18 Q And the two properties that you mentioned, are
19 they the ones that are subject to --

20 A That's within the confines that I mentioned,
21 Catherine's Rest and Princess.

22 Q They're the ones that are involved in the
23 foreclosure litigation?

24 A A portion of it, yes.

25 Q A portion of it. And you're not aware of any

1 other real estate that your father may own that is not
2 subject to the foreclosure action?

3 A No, sir. I'm not aware of anything outside of
4 that.

5 Q Are you aware of any real estate interest that
6 your mother may have in the Virgin Islands, other than what
7 is involved in the foreclosure action?

8 A No, sir.

9 Q Your father and your mother, so far as you know,
10 own 83 Anna's Hope?

11 A Yes, sir.

12 Q Do they own any property that's immediately
13 adjacent to 83 Anna's Hope?

14 A Yes, they do.

15 Q And do you know what property that is?

16 A 80 -- I think it's 81 or 82, if I'm not mistaken.

17 Q And do you know whether or not that property is --

18 A Let me say, before you continue, too, when you
19 mention any other property outside, I took that all to be
20 one property, just that they own.

21 Q Oh, in other words, 83 Anna's Hope would cover not
22 only that particular --

23 A The adjacent property.

24 Q But it would cover adjacent properties as well?

25 A Yes.

1 Q That's what you were thinking of?

2 A Yes.

3 Q That's fair enough. But there is in fact a
4 separate property? There is 83 Anna's Hope and --

5 A And there is the other one, 81 or 82.

6 Q Each separate?

7 A Yes.

8 Q A separate, adjacent property?

9 A Yes, sir.

10 Q And is that plat developed in any way?

11 A It has a house on it, yes.

12 Q Do you know who resides in that house?

13 A No one. As a matter of fact, I used it as my
14 headquarters for the campaign.

15 Q Other than the apartment building that is located
16 on Catherine's Rest, are you aware of any undeveloped
17 property on Catherine's Rest that your parents may have an
18 ownership interest in?

19 A Oh, yes.

20 Q Is that property, so far as you know, part of the
21 foreclosure action, or is that property separate?

22 A Not that I'm aware of. It's separate. That's why
23 I mentioned a portion of Princess as well as a portion of
24 Catherine's Rest.

25 Q So there are other portions there --

1 A Yes, sir.

2 Q -- that are not affected by --

3 A Yes, sir.

4 Q -- the foreclosure action that your parents have
5 ownership interest in?

6 A Yes, sir. In Catherine's Rest, yes.

7 Q How about La Grande Princess? Are there
8 properties there that are not part of the foreclosure action
9 that your parents have an ownership interest in?

10 A No, no.

11 Q So far as you know, all of the ownership interests
12 that they have on La Grande Princess are tied --

13 A All in Princess is under the foreclosure.

14 Q Are you aware of any property in the western
15 suburb area of Christiansted that your parents have an
16 ownership interest in?

17 A No, sir.

18 Q With respect to the real estate, though, that they
19 do have that is not part of the family residence and is also
20 not part of the foreclosure action, do you have any
21 knowledge as to what the value of that property may be?

22 A No, I don't.

23 Q And I think I asked you before whether or not you
24 had any knowledge as to what the value of the Family
25 Broadcasting --

1 A Yes, you did ask that. And I didn't have any
2 knowledge.

3 Q You didn't know. If you stood to inherit
4 something, would you want the Family Broadcasting business,
5 or would you rather have the real estate, leaving aside your
6 parent's home, leaving your parent's home out of the
7 equation? Would you rather have the Family Broadcasting
8 business, or would you rather have the real estate that your
9 parents own that is not part of litigation and also not part
10 of the immediate family residence at 83 Anna's Hope?

11 A Could I go off the record again, please?

12 MR. SHOOK: Sure.

13 (Off the record)

14 THE WITNESS: To answer that question, it would be
15 the radio station.

16 BY MR. SHOOK:

17 Q And why would you value the radio stations more?

18 A It is a fact that the process to obtain license
19 and to obtain ownership of a radio station is very
20 intricate, and it's a very valuable asset that I've known
21 over the years.

22 Q Do you have any knowledge as to whether or not
23 there has been an effort made on behalf of Family to
24 determine what the value of the radio stations is?

25 A Not to my knowledge.

1 Q And the answer that you gave previously in terms
2 of the radio stations being more valuable, you wouldn't
3 change your answer even though it appears from the records
4 that we have seen to this point that it has been a money
5 losing business?

6 A I wouldn't change my answer because it's how you
7 operate it, because I have a business that is a money making
8 business. But if you don't operate it properly, you would
9 lose it.

10 Q So underlying this, I suppose, is a hope that the
11 business of WSTX-AM and FM can be operated in a proper
12 manner and in fact turn a profit?

13 A There is no question. Over a period of years.

14 Q Right. I'm not saying the profit would should up
15 immediately.

16 A Okay. Yes, yes.

17 Q But your understanding would be given proper
18 operation, the stations have a potential to --

19 A Most definitely.

20 Q -- make money.

21 A Most definitely. Correct.

22 Q Do you know what if any steps are currently being
23 taken in order to make the radio stations a profit-making
24 entity?

25 A I think my being here is one of those steps. I

1 look at it as being positive. Again, my father, whom I
2 thought all along had 100 percent of the assets, and
3 separating him from the children, that would be another
4 positive.

5 Q That would be another positive move?

6 A Yes, sir.

7 Q Do you know what steps, if any, your sister has
8 taken to make the radio stations profitable?

9 A From my knowledge as of this week, she runs the --
10 she deals with the payroll, and she is very meticulous about
11 her way. And that's good for me, you know, at least
12 something out of my parent hat, my parents' hats.

13 Q Do you know if she has taken any steps to change
14 the rates that are changed to anybody who uses the radio
15 station for any reason?

16 A When you say taking steps to change the rates --

17 Q Yes.

18 A From the established rates that were there before?

19 Q Right.

20 A I'm sure she has made changes.

21 Q Okay. All I'm asking is whether or not you're
22 aware of anything specific that she has done.

23 A The rates that were sent out during the campaign
24 was rates that she had promulgated.

25 Q The rates that you had to pay to --

1 A Yes.

2 Q For your time on the radio stations.

3 A Most definitely.

4 Q So there was a different rate card that the
5 stations had put out in connection with the 2002 campaign?

6 A Yes.

7 Q Than had existed previously?

8 A All stations, yes.

9 Q You were aware of the difference between the rate
10 card that was issued for the election that preceded the 2002
11 general election?

12 A The regular commercial rate cards?

13 Q Right.

14 A No, sir.

15 Q Right. What I was getting at was whether you
16 could see whether you had a basis of comparison between what
17 the radio stations charged for the general election campaign
18 of 2002 and what the stations may have charged earlier than
19 that.

20 A No, no. I would not. I would not.

21 MR. COLBY: May I ask the witness a question?

22 MR. SHOOK: Surely.

23 MR. COLBY: Did you pay a political rate last --

24 THE WITNESS: I certainly did.

25 MR. COLBY: And a political rate is a cheap rate?

1 THE WITNESS: If it's a cheap -- it was the best
2 rate throughout the islands that we paid, yes.

3 MR. COLBY: You got a cheaper rate than commercial
4 advertising for the same number of spots. Was that your
5 understanding?

6 THE WITNESS: I don't know if it was a cheaper
7 rate from the commercial. I really don't know.

8 MR. COLBY: I think there is a separate political
9 rate.

10 THE WITNESS: But it's a separate rate.

11 MR. COLBY: And you got that on all the stations?

12 THE WITNESS: I got that on all the stations.
13 They all --

14 MR. COLBY: Including WSTX.

15 THE WITNESS: Including WSTX. But WSTX gave the
16 better rate of all the stations, yeah.

17 BY MR. SHOOK:

18 Q Do you know whether your father has any
19 involvement with the radio stations at all?

20 A To my knowledge, he should not have anything as of
21 March 2001 in terms of authority. But as I indicated
22 before, he just has that way about himself, and I guess just
23 give him respect. But he is not involved, basically. He
24 used to be, but he's not.

25 Q Do you know whether he goes to the radio stations

1 for any reason whatsoever?

2 A Yes. You can't take that away from him. It's
3 like a clock. He has to go up there at least every day and
4 drive by and look at it. I don't know what it means to him,
5 but he does that.

6 Q Do you know whether he is on the air at all at the
7 radio stations?

8 A I heard him Saturday morning at 6:30, 7 o'clock.
9 Before the guy comes on 7:00, there is a program that they
10 do, aerobic exercise. Then there is a guy that comes on and
11 takes the program from there, and he is prior to that.

12 Q Your father is prior to that?

13 A Yeah. I heard him one day on that, yeah.

14 Q Do you know from what period of time he is on the
15 air?

16 A No. Now when you say period of time, in terms of
17 the hour?

18 Q Right, from like 6 o'clock in the morning to 7
19 o'clock in the morning, as an example.

20 A I heard him between that time on a Saturday.

21 Q Do you know whether he is there on a regular basis
22 during that time period?

23 A No, I don't think so.

24 Q Do you know whether he is on the air at any other
25 time period?

1 A No.

2 Q Are you aware of what, if any, arrangements the
3 radio stations have with the government of the Virgin
4 Islands in terms of the government being allowed to use the
5 radio station on a regular basis?

6 A In terms of a community type?

7 Q In terms of any type of program that the
8 government may have. It could be a community service kind
9 of program. It could be informational. It could be weather
10 related.

11 A There is a cops show that is on every Saturday.

12 Q And is that somehow connected with the government
13 of the Virgin Islands?

14 A Yes, it is.

15 Q Oh, okay.

16 A Yeah. The department of police.

17 Q How long has that program been on the air?

18 A Years.

19 Q Do you know if the radio stations charge the
20 government for the use of that time?

21 A No. I think that's a community service, yeah.

22 Q Are you aware of any other programs that the
23 government of the Virgin Islands has on the radio stations?

24 A That's the only one that I know of.

25 Q I think I asked you -- I mean, you don't know what

1 the government is charged, if anything, do you?

2 A That I don't know, no.

3 MR. SHOOK: I'm going to show you a document that
4 is titled FCC 323, ownership report for Family Broadcasting,
5 Inc., and it bears a stamp that it was received by the FCC
6 on December 4, 1995. The information on the form is
7 supposed to be accurate as of November 20, 1995. And there
8 are two forms that are basically stapled together. One of
9 them is for WSTX-FM, and the other is for WSTX-AM. And
10 outside of that, the forms are basically identical. I just
11 wanted to let you look at them.

12 (Witness examined document)

13 BY MR. SHOOK:

14 Q Now page 3, there are three names that appear. I
15 take it the first name, so far as you know, would be your
16 father?

17 A That's correct.

18 Q And the second name would be your mother?

19 A That's correct.

20 Q And the third name would be your sister?

21 A Yes.

22 Q Now according to this document, your father held
23 60 -- it says number of shares of ownership. And when you
24 add the three up, 60 to 25 and the 15, you get to 100. And
25 the suggestion -- all I'm saying, the suggestion -- from the

1 form is that this represents the complete ownership of
2 Family at this time.

3 Do you have any knowledge as to where the numbers
4 for your father, your mother, and your sister come from, how
5 they were derived?

6 A No, I don't. I thought he was the full, sole
7 ownership of STX.

8 Q And do you recall that there was an earlier form
9 that I showed you that represented that your father held 51
10 percent of the interest --

11 A Yes, I remember.

12 Q -- and your mother held 42 percent?

13 A Yes.

14 Q Do you have any knowledge as to how the figures
15 came to change from the 60 to 51 and 25 to 42?

16 A No, sir.

17 Q Do you have any knowledge as to whether or not
18 your sister ever held 15 percent ownership interest?

19 A No, sir.

20 MR. SHOOK: I'm going to show you a document that
21 is dated August 25, 1997. It is addressed to Family
22 Broadcasting, Inc., attention Luz James -- and ask you
23 whether you have ever seen this document before.

24 (Witness examined document)

25 THE WITNESS: No, sir, I haven't seen this before.

1 MR. SHOOK: I'm going to show you a document
2 styled official notice of violation. There are two of them
3 that are stapled together. They both are from a date
4 December 8, 1997, and show that the two of them stapled
5 together comes to six pages. The first three pages concern
6 WSTX-AM. The second three pages concern WSTX-FM.

7 (Witness examined document)

8 BY MR. SHOOK:

9 Q Were you aware that official notices of violation
10 released December 8, 1997, were sent to Family Broadcasting,
11 Inc.?

12 A No, sir.

13 MR. SHOOK: I'm going to show you a two-page
14 document that bears the title, gift and conveyance of stock.
15 It's dated April 16, 2002. And I'll ask you to identify the
16 signatures that appear on the second page, if you can.

17 (Witness examined document)

18 THE WITNESS: It looks like my parents' signature,
19 kind of rushed.

20 MR. SHOOK: Right.

21 THE WITNESS: It doesn't look like his
22 authentic --

23 BY MR. SHOOK:

24 Q That's not how he would ordinarily sign something?

25 A Yeah, yeah. But he was angry, yeah.

1 Q Okay.

2 A Serious. I'm serious. I'm serious.

3 Q No. I --

4 A That's not how he does Gerard, yeah.

5 Q Have you ever seen this document before?

6 A No, I haven't.

7 Q Were you aware that such a document existed?

8 A Yes, I was.

9 Q And what is your understanding of the purpose of
10 this document?

11 A To give us the control of the radio station, as
12 well as the license of WSTX-AM and FM.

13 Q Now I believe I'd asked you earlier, without
14 showing you at the time, whether or not you had ever seen a
15 stock certificate of Family Broadcasting, Inc.

16 A No, I haven't. Yeah.

17 Q And what I'm showing you now purports to be such a
18 document. There is a certificate that is referenced Family
19 Broadcasting, Inc. There is a number that appears, and also
20 a number of shares. And then there is a big stamp on it
21 that says paid. And --

22 A November 19, 1992.

23 Q It was issued quite some time ago. And have you
24 ever seen a document like this before?

25 A No, sir. It's the first time I've seen this.

1 Q I'm also going to show you a declaration and ask
2 you whether you can identify that.

3 A That's me. That is my signature.

4 Q And this declaration -- by this declaration, you
5 intended to do what?

6 A To tell her that I had no stocks, no interest
7 within the station.

8 Q And so this declaration is one from yourself dated
9 June 2, 2002?

10 A Mm-hmm. That is correct, yeah. Outside of the
11 percentage I may be given, yeah.

12 Q Other than the percentage that your parents are
13 seeking to give you, you have no current ownership interest.

14 A That is correct.

15 Q Or if you ever did, that you gave it back.

16 A Had no knowledge, yeah.

17 Q Had no knowledge? Now the next document that I'm
18 going to show you is called an AM broadcast station
19 construction permit. This is in connection with WSTX. And
20 I'll ask whether you have ever seen this document before.

21 A No, I haven't seen this one before.

22 Q Do you have any knowledge as to whether or not
23 Family Broadcasting, Inc. is building WSTX in accordance
24 with its permit?

25 A I couldn't say, sir.

1 Q The next document I'm going to show you is a
2 construction permit for WSTX-FM. It also bears the same
3 grant date as the other document that I showed you, that
4 being May 14, 2002. The first question is whether or not
5 you have seen this document before.

6 A No, I haven't.

7 Q Do you have any knowledge as to whether WSTX-FM is
8 currently being built in accordance with the permit that you
9 have in front of you?

10 A No, I don't.

11 MR. SHOOK: The next document that I want to show
12 you is an FCC form 323, ownership report for commercial
13 broadcast stations. And the time period in question, if I
14 can find it on this form, and I'll tell you -- the date that
15 is referenced on the form is October 1, 2001. There is some
16 information concerning ownership that appears on the second
17 page of the form. And I'm going to ask you to focus your
18 attention on the capitalization portion.

19 (Witness examined document)

20 BY MR. SHOOK:

21 Q First of all, have you ever seen this ownership
22 report before?

23 A No, I haven't, sir.

24 Q Why don't you just take a quick glance through it
25 just to make sure because I haven't -- I have described it

1 to you, and I have shown you only one page. So --

2 MR. COLBY: Is this the biannual report?

3 MR. SHOOK: The first letter is a cover letter.

4 MR. COLBY: But is this the biannual, or is this
5 -- a biannual, okay.

6 (Witness examined document)

7 BY MR. SHOOK:

8 Q So now that you have had a chance to look through
9 it a bit, would your answer still be the same, that you had
10 not seen this document before?

11 MR. COLBY: Is this the same document you showed
12 him a few minutes ago?

13 MR. SHOOK: No. This is a different ownership
14 report.

15 MR. COLBY: Okay.

16 THE WITNESS: I can't recall this.

17 BY MR. SHOOK:

18 Q Now looking at the capitalization information, the
19 form reflects that 100,000 shares of common voting stock are
20 authorized, and that 2,771 shares are issued and
21 outstanding. Do you have any knowledge as to how that
22 information was derived?

23 A No, sir.

24 Q Do you have any knowledge as to whether or not
25 that information is accurate?

1 A No, sir.

2 (Discussion off the record)

3 BY MR. SHOOK:

4 Q I think I may have asked you this, but I'm not
5 sure. Do you know whether or not a 2001 corporate tax
6 return has been prepared for Family Broadcasting, Inc.?

7 A You did ask that question, and I said no.

8 MR. SHOOK: Mr. James, I have no further
9 questions.

10 MR. COLBY: I have a couple of questions.

11 CROSS-EXAMINATION

12 BY MR. COLBY:

13 Q Mr. James, if your sister came to you today and
14 said that she needed money to continue the operation of the
15 radio station, and if you had the money, would you make it
16 available to her?

17 A I certainly would.

18 Q Is the operation of the James Memorial Funeral
19 Home -- is that profitable?

20 A Yes, it is.

21 Q Has that funeral home regularly filed federal
22 income tax forms?

23 A Every quarter.

24 Q And have they regularly shown a profit?

25 A We have, yes.

1 Q For how many years?

2 A I would say, if my memory serves me correct, about
3 the last three years.

4 Q Has your sister at any time come to you and asked
5 for money?

6 A Indirectly.

7 Q And if she made a direct request, you would
8 respond affirmatively?

9 A I certainly would.

10 Q And you would be in a position to make a sum of
11 money available at this time if she needed it?

12 A If it's possible, I will, yes.

13 Q He asked you whether or not -- Mr. Shook asked you
14 whether you had done anything on behalf of the corporation,
15 and I think your answer was essentially no. Is that
16 correct?

17 A I did say no.

18 Q Who was it that obtained the certificate of good
19 standing for the corporation?

20 A I did.

21 Q And when did you do that?

22 A I did that -- well, it took several days, right?
23 I obtained that yesterday right after my departure.

24 Q You began your efforts to obtain it, what, a
25 couple of weeks ago?

1 A Yes, sir.

2 Q Immediately after your sister requested you to do
3 so.

4 A Immediately after.

5 Q Do you think you could be of any assistance to the
6 company in getting these back tax returns prepared?

7 A I'm willing to help in whichever way I can, yes.

8 Q Okay. Will you commit that when you get back to
9 the Virgin Islands you'll talk to the accountant and see if
10 he can work up the back tax returns?

11 A I can. Most definitely, yes.

12 Q Will you do that for us?

13 A Yes, I will. Yes, I will.

14 MR. COLBY: I have no further questions.

15 REDIRECT EXAMINATION

16 BY MR. SHOOK:

17 Q As a follow-up to one of the questions that Mr.
18 Colby asked you, you had indicated that if your sister came
19 to you and asked for money to help run the radio stations,
20 that you would give her such. How much could you give her?

21 A It depends on what my accountant says. I make
22 moves within the business according to the advice of the
23 accountant.

24 RECROSS EXAMINATION

25 BY MR. COLBY:

1 Q Do you have any borrowing capacity?

2 A The only time we took monies out of the company
3 was -- well, to answer your question, yes.

4 Q So you could borrow against the funeral home if
5 you had to.

6 A Oh, most definitely.

7 Q You wouldn't want to.

8 A I wouldn't want to. I'll be quite frank with you.

9 Q But if it became absolutely necessary to keep this
10 radio station on the air and ensure that the transfer and
11 control to the children is effectuated, you would do it.

12 A I would have to do it.

13 FURTHER REDIRECT EXAMINATION

14 BY MR. SHOOK:

15 Q Now I recognize that you indicated that you would
16 have to check with your accountant for a dollar figure.

17 A Oh, yes.

18 Q But what range do you believe is reasonably
19 possible?

20 A I really couldn't say. Several years back, as you
21 had asked in an earlier question, I did give 50,000 to help
22 at that particular time. I really don't know what range I
23 would be able to do, but we'll have to go to the bank and
24 work something out. I want to see the radio station really
25 on its feet and with a sound foundation. And it can happen.

1 And as I told attorney Colby, I'm willing to assist and make
2 sure that we can get going.

3 I've taken pretty much a back -- how should I say
4 it -- reserve approach.

5 MR. COLBY: Passive.

6 THE WITNESS: Passive, very passive approach.
7 I've had my encounters with my dad. As a matter of fact, I
8 bear the same name. My son bears our name. And I'm more
9 proactive and positive in getting things done, and I do
10 things on the up and up and straight and narrow.

11 BY MR. SHOOK:

12 Q Would that willingness extend to the tune of
13 another \$50,000?

14 A I could work that out.

15 Q Would it go to \$100,000?

16 A That I couldn't say off the top, but 50,000, yes,
17 I could work that out.

18 Q \$200,000?

19 MR. COLBY: No. Mr. Shook, I think he already
20 said he could not do 100,000.

21 MR. SHOOK: Well, just --

22 MR. COLBY: Oh, okay. I didn't understand the
23 question.

24 THE WITNESS: Fifty, yes. A hundred, I would have
25 to sit with my accountant. Beyond that, I don't think we

1 could do that right now, at this point in time.

2 MR. SHOOK: Nothing further, sir. Thank you.

3 THE WITNESS: And I want to thank you very much
4 for everything, too.

5 (Whereupon, at 4:12 p.m., the deposition of GERARD
6 L. JAMES II was adjourned.)

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1 I have read the foregoing pages 1 through 83, and
2 they are a true and accurate record of my
3 testimony therein recorded, and any changes and/or
4 corrections appear on the attached errata sheet
5 signed by me.

6 _____
7 GERALD L. JAMES, II
8

9 Subscribed and sworn to before me
10 this ____ day of _____, 2002

11 _____
12 Notary Public

13 My Commission expires: _____
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CERTIFICATE OF COURT REPORTER/NOTARY PUBLIC

I, Beth Roots, the officer before whom the foregoing testimony was taken, do hereby certify that the witness whose testimony appears in the foregoing deposition was duly sworn by me; that the testimony of said witness was taken by me and thereafter reduced to typewriting; that I am neither counsel for, related to, nor employed by any of the parties to the action in which this deposition was taken; and further, that I am not a relative or employee of any attorney or counsel employed by the parties hereto; nor am I financially or otherwise interested in the outcome of the action.

Beth M. Roots

Court Reporter/Notary Public

My Commission Expires: 1/1/08